

Message Text

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ACTION ARA-10

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FM AMEMBASSY QUITO

TO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY SANTIAGO

SECSTATE WASHDC 1629

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: ECIN, EC

SUBJECT: GOE MINISTER VIEWS WITH ALARM CHILE'S VIRTUAL WITHDRAWAL
FROM ANDEAN PACT

REFS: (A) LIMA 8383; (B) SANTIAGO 9136

1. THE ECUADOREAN MINISTER OF COMMERCE, INDUSTRIES AND INTEGRATION, GALO MONTANO, TOLD THE EMBASSY'S E/C COUNSELOR ON SEPTEMBER 20 THAT CHILE'S PROSPECTIVE VIRTUAL WITHDRAWAL FROM THE ANDEAN PACT WOULD HAVE SERIOUS ADVERSE IMPACT ON MANY OF THE INTEGRATION ACTIVITIES AND PLANS OF THE OTHER FIVE MEMBERS, EVEN IF THE WITHDRAWAL PROVES TO BE MERELY A TWO-YEAR SUSPENSION (AS THE FIVE ARE SEEKING TO ARRANGE, HE SAID).

2. MONTANO DEPICTED THE PACT METAPHORICALLY AS AN ELABORATE HOUSE OF CARDS, WITH CHILE'S WITHDRAWAL BEING TANTAMOUNT TO REMOVAL OF, SAY, MOST OF THE DIAMOND SUIT; TO
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PREVENT THE STRUCTURE FROM COLLAPSING, HE CONTINUED, IT

WILL BE NECESSARY TO FIND WAYS AND MEANS TO PROP UP MANY OF THE CARDS IN VIRTUALLY EVERY ROOM OF THE HOUSE ON ALL FLOORS. BUT, MONTANO ADDED, HE DOES NOT BELIEVE IT WILL BE NECESSARY FOR THE FIVE REMAINING MEMBERS TO RENEGOTIATE THE PACT; RATHER, "WE MUST FIND WAYS TO MAKE DO WITHIN THE EXISTING FRAMEWORK."

3. MONTANO SAID THE CHILEAN REPRESENTATIVES AT THE LIMA MEETING LAST WEEK WERE "VERY HARD," AND HE INDICATED THAT HE AND OTHER COUNTRIES' REPRESENTATIVES HAD BEEN TAKEN ABACK BY THE CHILEANS' INFLEXIBILITY. HE SAID THAT AFTER THE CHILEANS REFUSED TO COMPROMISE ON THE ISSUE OF THE LEVEL OF THE CXT AND ON OTHER ISSUES, THEY PROPOSED CHILE'S STATUS BE CONVERTED TEMPORARILY, FOR AN UNSPECIFIED NUMBER OF YEARS, FROM THAT OF FULL MEMBER OF THE PACT TO THAT OF "ASSOCIATE MEMBER". THE REPRESENTATIVES OF THE OTHER FIVE DISMISSED THAT IDEA OUT OF HAND, MONTANO INDICATED, AND HE COMMENTED THAT IT WOULD BE RIDICULOUS FOR CHILE (ONE OF THE MOST DEVELOPED OF THE SIX ANDEAN COUNTRIES) TO HAVE THE SAME STATUS IN RELATION TO THE ANDEAN PACT THAT POOR COUNTRIES LIKE GREECE AND TURKEY HAVE IN RELATION THE EUROPEAN COMMON MARKET.

4. MONTANO SAID THAT IF CHILE GOES INTO A STATE OF SUSPENDED MEMBERSHIP FOR TWO YEARS (AS HE SEEMED TO EXPECT WOULD BE THE CASE), THE SECTORAL ASSIGNMENTS ALREADY MADE TO CHILE "WOULD BE RESPECTED BY THE OTHER MEMBERS." THE MAJOR PROBLEM IN THIS RESPECT WOULD BE, HE SAID, TO WORK OUT FUTURE SECTORAL ASSIGNMENTS IN SUCH A WAY THAT WHEN CHILE RESUMES FULL MEMBERSHIP THERE WILL BE A RATIONAL ALLOCATION OF SUCH ASSIGNMENTS IN FORCE. THIS WILL BE DIFFICULT, HE CONTINUED, BECAUSE IN WHAT HE TERMED THE UNLIKELY EVENT THAT CHILE NEVER RETURNS TO REGULAR PACT MEMBERSHIP, OR RETURNS LONG AFTER THE ANTICIPATED TWO YEARS, THE ALLOCATIONS MEANWHILE MADE WILL TURN OUT TO BE IRRATIONAL--THAT IS, IMBALANCED AND INCOMPLETE.

5. EMBASSY COMMENT: MONTANO, WHO UNTIL LESS THAN TWO YEARS AGO HAD SERVED FOR SOME YEARS IN LIMA AS A TECHNICAL CONSULTANT TO THE PACT COMMISSION, HAS UNTIL NOW INVARIABLY LIMITED OFFICIAL USE

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EXUDED OPTIMISM ABOUT THE PACT, AND AS RECENTLY AS LAST MONTH HE TOLD EMBOFFS THAT THE PACT COULD READILY SURVIVE THE DEPARTURE OF NOT JUST CHILE BUT ALSO BOLIVIA. ON THIS OCCASION, HOWEVER, HE WAS CLEARLY DEJECTED AND FAR FROM OPTIMISTIC.
BLOOMFIELD

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